

# MEMORANDUM

Agenda Item No. 14(A)(2)

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**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**DATE:** May 21, 2013

**FROM:** R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Resolution approving  
Confidential Project 13-00439 as  
a Qualified Target Industry  
business pursuant to Florida  
Statute 288.106

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The accompanying resolution was prepared by the Regulatory and Economic Resources Department and placed on the agenda at the request of Prime Sponsor Commissioner Jose "Pepe" Diaz.



R. A. Cuevas, Jr.  
County Attorney

RAC/jls

# Memorandum



**Date:** May 21, 2013

**To:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**From:** Carlos A. Gimenez  
Mayor 

**Subject:** Resolution Approving Qualified Target Industry Tax Refund for Confidential Project 13-00439

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## **Recommendation**

The Beacon Council, on behalf of a firm that requests confidentiality, has submitted an application for economic development incentives from the State of Florida (State) and Miami-Dade County that require approval from the Board of County Commissioners (Board). It is recommended that the Board approve the attached resolution authorizing Confidential Project 13-00439 to be recognized by the State as a Qualified Target Industry business and entitled to the financial benefits afforded under the Qualified Target Industry Tax Refund Program.

The attached documents relating to the application for a tax refund under the Florida Qualified Target Industry business incentive program, pursuant to Florida Statutes Section 288.106, have been prepared by The Beacon Council and reviewed by the Miami-Dade Department of Regulatory and Economic Resources.

## **Scope**

The business operations of this project will create 105 new full-time equivalent jobs, as defined in Florida Statute 288.106, over a three-year period. This project is considering leasing and renovating approximately 24,000 square feet of an existing building in District 12 (Commissioner Diaz) to establish its multinational business enterprise and a regional headquarters for its Latin American operations. However, the jobs will have a positive countywide impact through indirect employment and a multiplier effect. Confidential Project 13-00439 is also considering the southwest region in the United States as a potential location for this expansion.

## **Fiscal Impact / Funding Source**

Confidential Project 13-00439 has applied for a total of \$210,000.00 in Qualified Target Industry funds, of which 80% (\$168,000.00) would be provided by the State. If the accompanying resolution is approved by the Board, the County is committed to providing an award of up to \$42,000.00 (or \$400.00 per new job) in matching funds from countywide general fund revenues over a six-year period beginning in FY 2013-2014, providing a positive cost-benefit ratio to the County of 1:1.23. The anticipated dates for job creation and disbursement of incentive awards are set forth in the resolution but are subject to change at the direction of the County Mayor or the County Mayor's designee.

## **Track Record/Monitor**

Qualified Target Industry funds awarded for job creation are provided on a matching basis upon the State invoicing the County for jobs created and verified by the State. The State effectively monitors the creation of the Qualified Target Industry jobs and provides such information to the County. The County's matching funds are distributed only if the applicant complies with the commitment to create the number of new jobs indicated in the accompanying Qualified Target Industry application and all

other conditions of the incentive program. Qualified Target Industry incentive payments are contingent upon the company meeting its jobs target.

**Background**

On March 7, 2013, The Beacon Council submitted an application on behalf of Confidential Project 13-00439 for the State of Florida's Qualified Targeted Industry Tax Refund Program. The application and the General Project Overview are attached. The parent company of Confidential Project 13-00439 is a global security services company that was founded in the 1930s with national and international offices including a subsidiary in Miami-Dade County. Confidential Project 13-00439 is seeking to establish a regional shared service center to support their Latin American operations in over ten countries. The primary activities of the shared center will be to support the day-to-day needs of the Latin American countries in the areas of accounts payable, accounts receivable, payments, collections, cash management, account reconciliations, fixed assets and general ledger accounting. In the near future, the shared service center will become the regional headquarters for their operations in Latin America.

Confidential Project 13-00439 currently has a facility in the southwest region of the United States with room for expansion. It is also evaluating a location in Medley (Miami-Dade County) and in the southwest region of the United States to establish the shared service center.

Confidential Project 13-00439 would be a new business unit (Shared Service Center) providing financial/professional services for their Latin American operations (NAICS Code #541940) in Miami-Dade County. It would employ 105 new workers paying an average annual salary of \$48,000.00, which represents over 115% of the State average wage. Employee benefits associated with each new job created will be \$7,200.00, according to the documents submitted by The Beacon Council.

If approved, the project plans to commit to an investment of \$2,567,000.00, of which \$1,820,000.00 is allocated to construction/renovation, and \$747,000.00 to capital equipment purchases.

The Beacon Council projects that the \$2,567,000.00 in direct investment by Confidential Project 13-00439 and the local economic impact from operations will generate approximately \$51,806.00 in countywide general fund revenues to Miami-Dade County over the six years the company is eligible for Qualified Target Industry tax refund incentives.

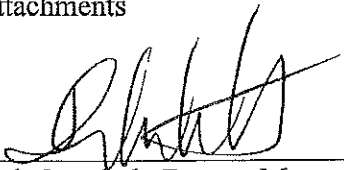
The details of this project are summarized in the below chart:

<b>CONFIDENTIAL PROJECT 13-00439 SUMMARY SHEET</b>	
<b>APPLICANT:</b>	Confidential Project 13-00439
<b>HEADQUARTERS LOCATION:</b>	Eastern region of the United States
<b>PROPOSED LOCATION IN MIAMI-DADE COUNTY:</b>	Medley (Considering)
<b>OTHER LOCATIONS UNDER CONSIDERATION:</b>	Southwest region of the United States

<b>DATE OF QUALIFIED TARGET INDUSTRY /TARGETED JOB INCENTIVE FUND APPLICATIONS:</b>	March 7, 2013
<b>OVERALL BUSINESS ACTIVITY/MISSION:</b>	To lease and renovate a 24,000 square feet (approximately) office space
<b>PROPOSED LOCAL BUSINESS ACTIVITY:</b>	A new business unit (shared service center) providing professional/financial services to Latin America.
<b>PROPOSED CAPITAL INVESTMENT:</b>	\$2,567,000.00
<b>TARGETED QUALIFIED TARGET INDUSTRY /TARGETED JOB INCENTIVE FUND INDUSTRIES:</b>	Financial/Professional Services
<b>PROPOSED LOCATION IN DESIGNATED PRIORITY AREA:</b>	No
<b>NEW BUSINESS OR EXPANDING BUSINESS:</b>	New Business Unit
<b>TOTAL NUMBER OF DIRECT JOBS TO BE CREATED/RETAINED:</b>	105
<b>EFFORT IN HIRING RESIDENTS IN LOCAL AREA:</b>	unknown
<b>ESTIMATED ANNUALIZED AVERAGE WAGES FOR NEW JOBS:</b>	\$48,000.00
<b>ANNUAL EMPLOYEE BENEFIT PACKAGE:</b>	\$7,200.00 (not a condition of incentive award)
<b>NUMBER OF INDIRECT JOBS TO BE CREATED:</b>	42
<b>NUMBER OF YEARS TO CREATE NEW JOBS:</b>	3
<b>MAXIMUM TAX REFUND PER JOB DIRECT JOBS CREATED:</b>	\$2,000.00
<b>MAXIMUM INCENTIVE AWARD APPLIED FOR:</b>	\$210,000.00
<b>PROJECTED INCREMENTAL COUNTY TAX REVENUE:</b>	\$51,806.00

<b>COUNTY'S MAXIMUM 20% QUALIFIED TARGET INDUSTRY AWARD:</b>	\$42,000.00
<b>STATE'S MAXIMUM 80% QUALIFIED TARGET INDUSTRY AWARD CONTRIBUTION:</b>	\$168,000.00
<b>TYPE OF FUNDS REQUESTED IN APPLICATION:</b>	Countywide General Fund Revenues
<b>COMMENTS:</b> This summary sheet was prepared by the Miami-Dade Department of Regulatory and Economic Resources with information and data provided by The Beacon Council.	

Attachments

  
\_\_\_\_\_  
Jack Osterholt, Deputy Mayor



## MEMORANDUM

(Revised)

**TO:** Honorable Chairwoman Rebeca Sosa  
and Members, Board of County Commissioners

**DATE:** May 21, 2013

**FROM:**   
R. A. Cuevas, Jr.  
County Attorney

**SUBJECT:** Agenda Item No. 14(A)(2)

Please note any items checked.

- ☐ "3-Day Rule" for committees applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☒ Ordinance creating a new board requires detailed County Mayor's report for public hearing
- ☐ No committee review
- ☐ Applicable legislation requires more than a majority vote (i.e., 2/3's \_\_\_\_, 3/5's \_\_\_\_, unanimous \_\_\_\_ ) to approve
- ☐ Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved \_\_\_\_\_ Mayor  
Veto \_\_\_\_\_  
Override \_\_\_\_\_

Agenda Item No. 14(A)(2)  
5-21-13

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING CONFIDENTIAL PROJECT 13-00439 AS A QUALIFIED TARGET INDUSTRY BUSINESS PURSUANT TO FLORIDA STATUTE 288.106; CONFIRMING THAT THE COMMITMENTS OF LOCAL FINANCIAL SUPPORT NECESSARY FOR CONFIDENTIAL PROJECT 13-00439 EXIST; AND PROVIDING FOR AN APPROPRIATION OF UP TO \$42,000.00 FROM GENERAL REVENUE FUNDS AS LOCAL PARTICIPATION IN THE STATE OF FLORIDA QUALIFIED TARGET INDUSTRY TAX REFUND PROGRAM FOR FISCAL YEARS 2014 THROUGH 2019 INCLUSIVE, OR OVER A TIME PERIOD AS DETERMINED BY THE STATE OF FLORIDA IN ITS APPROVAL OF CONFIDENTIAL PROJECT 13-00439; AND PROVIDING FOR AN EFFECTIVE DATE

**WHEREAS**, this Board desires to accomplish the purposes outlined in the accompanying memorandum, Economic Impact Overview and General Project Overview, copies of which are incorporated herein by reference; and

**WHEREAS**, The Beacon Council has submitted an application for economic development incentives from the State of Florida and Miami-Dade County on behalf of Confidential Project 13-00439 in order for Confidential Project 13-00439 to be recognized by the State as a Qualified Target Industry business and entitled to the financial benefits afforded under the Qualified Target Industry Tax Refund Program; and

**WHEREAS**, Confidential Project 13-00439 commits to create 105 full-time equivalent jobs, as defined in Florida Statute 288.106, in Miami-Dade County by December 31, 2015 with an average salary of \$48,000.00, which is at least 115 percent of the state average wage; and

**WHEREAS**, the tax refunds provided under the Florida Qualified Target Industry Tax Refund Program to Confidential Project 13-00439 may be prorated by the State of Florida

pursuant to the terms of the General Project Overview in the event that Confidential Project 13-00439 creates fewer than 105 full-time equivalent jobs,

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA,** that this Board approves Confidential Project 13-00439 as a Qualified Target Industry business pursuant to Florida Statute 288.106, which created the Qualified Target Industry Tax Refund Program.

The necessary commitment of local financial support for Confidential Project 13-00439, as required under Florida Statute 288.106, exists in an amount not to exceed \$42,000.00 from Miami-Dade County's general funds and this local financial support will be available in the following increments:

Fiscal Year 2013-2014	\$7,000.00
Fiscal Year 2014-2015	\$7,000.00
Fiscal Year 2015-2016	\$7,000.00
Fiscal Year 2016-2017	\$7,000.00
Fiscal Year 2017-2018	\$7,000.00
Fiscal Year 2018-2019	\$7,000.00
<b>Total</b>	<b>\$42,000.00</b>

or payable over a time period and at annual amounts as determined by the State of Florida in its approval of the Confidential Project 13-00439 application, as long as the \$42,000.000 is not exceeded with the provision that any tax abatement grant to Confidential Project 13-00439 under Florida Statute 196.1995 reduces any Qualified Target Industry tax refund by the amount of any such abatement granted, in compliance with Florida Statute 288.106(6)(d); and the County's funds will be paid to the Florida Economic Development Trust Fund with the stipulation that these funds are intended to represent the "local financial support" required by Florida Statute 288.106 for Confidential Project 13-000439, in compliance with the Qualified Target Industry Program.

The necessary commitment of local financial support shall be contingent upon Confidential Project 13-00439 maintaining the jobs during the life of the incentive and ensuring



that its hiring practices aspire to be consistent with and reflect the diversity of the Miami-Dade County community.

The anticipated dates for the job creation and disbursement of the incentive awards are subject to change at the direction of the County Mayor or the County Mayor's designee if in the best interest of the County as determined by the County Mayor or the County Mayor's designee.

The foregoing resolution was offered by Commissioner ,  
who moved its adoption. The motion was seconded by Commissioner  
and upon being put to a vote, the vote was as follows:

Rebeca Sosa, Chairwoman

Lynda Bell, Vice Chair

Bruno A. Barreiro

Jose "Pepe" Diaz

Sally A. Heyman

Jean Monestime

Sen. Javier D. Souto

Juan C. Zapata

Esteban L. Bovo, Jr.

Audrey M. Edmonson

Barbara J. Jordan

Dennis C. Moss

Xavier L. Suarez

The Chairperson thereupon declared the resolution duly passed and adopted this 21<sup>st</sup> day of May, 2013. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF  
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: \_\_\_\_\_  
Deputy Clerk

Approved by County Attorney as  
to form and legal sufficiency.



Shannon Summerset-Williams



March 7, 2013

Mr. Jack Osterholt  
Deputy Mayor  
Miami-Dade County  
Stephen P. Clark Center  
111 NW 1<sup>st</sup> Street, Suite 2910  
Miami, FL 33128

Dear Mr. Osterholt:

Enclosed you will find an application for the State of Florida's Qualified Targeted Industry Tax Refund Program (QTI). Confidential Project #13-00439 is a global securities company, looking to create a financial services and accounting Shared Service Center to support its Latin America operations.

The company is applying for the QTI program and will create 105 new jobs over a 3-year period with an average salary of \$48,000 and is committed to a new capital investment of \$2,567,000 million in Miami-Dade County.

We are referring this application to your office for review and preparation of a resolution to the Miami-Dade Board of County Commissioners requesting a maximum of \$42,000, representing Miami-Dade's 20% QTI portion, to be paid over a period of six years. Attached is the project briefing book as well as the economic impact analysis prepared by The Beacon Council's Research Department.

We are requesting that the item be placed on the next agenda of the Economic Development and PortMiami Committee (EDPC).

We look forward to working together for the benefit of the economic development of Miami-Dade County. If you have any questions, please contact me at (305) 579-1343.

Sincerely,

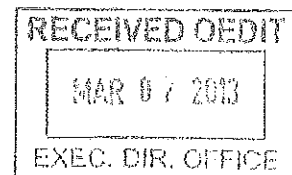
Stephen Beatus  
Executive Vice President  
Business Expansion, Retention, Recruitment and Urban Initiatives

Enclosures

Cc: Dimitrios "Jimmy" Nares, Office of Economic Development and International Trade

Miami-Dade  
County's  
Official  
Economic  
Development  
Partnership

80 Southwest  
Eighth Street  
Suite 2400  
Miami, Florida  
33130  
T: 305.579.1300  
F: 305.375.0271  
[www.beaconcouncil.com](http://www.beaconcouncil.com)



03/07/13/26

# **Florida Qualified Target Industry Tax Refund (QTI)**

**Confidential Project  
13-00439**

**Prepared by the Beacon Council  
March 2013**

## **Executive Summary for Confidential Project 13-00439**

### **Background**

The company is global securities company looking to establish a regional shared service center to support their Latin America operations in over ten countries. The primary activities of the shared service center will be to support the day to day needs of the Latin America countries in the areas of accounts payables, account receivables, payments, collections, cash management, accounts reconciliations, fix asset accounting and general ledger accounting. In the near future, the shared service center will become the regional headquarters for the company's operations in Latin America.

The company is currently evaluating Miami-Dade County (Medley, FL) and a location in the Southwest region of the United States for their Latin America Shared Service Center. The company currently has a facility in the Southwest region of the United States with room for expansion. Incentives will be used to offset the costs of a new facility in Miami-Dade County.

The project will create 105 direct new jobs with an average annualized salary of \$48,000 in Miami-Dade County over a 3-year period and make a new capital investment of \$2,567,000. The average salary of \$48,000 represents over 115% of the State average wage. New employees will be sourced from the local community and relocated from the company's Latin American operations.

The application of Confidential Project 13-00439 for a QTI recognizes the creation of new, high-paying jobs and a substantial capital investment being committed by the project over the 6-year payout period. The enclosed QTI application package requests a maximum of \$42,000 (20% of total incentive) to be paid by the County over a period of six years and provides a positive cost-benefit ratio to the County of 1:1.23

This is a performance-based incentive. No funds will be provided to the Company until they meet all program and job creation requirements. The incentive that is provided is not a cash grant; it is an after-the-fact, performance-based refund.

**General Funds derived from the incremental tax revenue will be used to fund the county contribution. CDBG Funds will not be used.**

### **The Basic Assumptions**

- The latest Miami-Dade County millage tax rates (2012) were used.
- This latest millage rate was used for the entire 6-year period analysis.

### **Conclusions**

Based on the projected investment of \$2,567,000 in new real property, the project's 6-year property tax revenue from this expenditure will be: \$51,806 and Miami-Dade County's net revenue benefit is: \$9,806.

**INCENTIVE PROPOSAL SUMMARY:**

**Confidential Project  
13-00439**

<b>Project Summary:</b>	
Project Name	Confidential Project 13-00439
New Jobs	105
Average Salary	\$48,000
New Capital Investment	\$2,567,000
New Square Footage	24,000 (approx.)
<b>QTI Breakdown:</b>	
Miami-Dade County Incremental Tax Revenue	\$51,806
QTI Miami-Dade County Match (20%)	\$42,000
Net Revenue Benefit to Miami-Dade	\$9,806
Total Cost-Benefit Ratio	1:1.23

## INCENTIVE PROPOSAL CHECKLIST

Confidential Project #13-00439

1. Enterprise Zone:	No
2. Number of New Jobs Projected:	105
3. Average Salary per Job:	\$48,000
4. New Capital Investment:	\$2,567,000
5. New Square Footage:	24,000
6. Per Job Incentive:	\$2,000

### QUALIFIED TARGET INDUSTRY TAX REFUND (QTI) BASED - UPON THE CREATION OF

105 New Jobs Over 3 Years

#### TOTAL QTI TAX REFUND

1. State of Florida Portion (80%)	\$168,000
2. Miami-Dade County Match (20%)	\$42,000
Total QTI Tax Refund Proposal	\$210,000

#### RETURN ON INCENTIVE INVESTMENT (ROI)

1. Miami-Dade County Incremental Tax Revenue*	\$51,806
2. Total Miami-Dade County (20%) QTI Match	\$42,000
3. Miami-Dade County Net Revenue Benefit	\$9,806
Total ROI Gain/Loss/Breakeven	1.23

\* See Economic Impact Model

## SUMMARY OF ECONOMIC IMPACT

Confidential Project #13-00439

Totals represent what Miami-Dade County  
would potentially gain over a projected six year  
period if the business  
expands in Miami- Dade County.

### ***Employment***

Direct Employment	105
Indirect Employment	42
<b>Total Employment Gain</b>	<b>147</b>

### ***Income from Wages***

Direct Employment	\$27,284,786
Indirect Employment	\$5,456,957
<b>Total Income Gain</b>	<b>\$32,741,743</b>

### ***Revenue to Miami-Dade County***

<b>Total Property Taxes</b>	<b>\$51,806</b>
<b>Total Local Sales Taxes</b>	<b>\$0</b>
<b>Total Tax Revenue Gain</b>	<b>\$51,806</b>
<b>Total Miami-Dade County (20%) QTI Match</b>	<b>\$42,000</b>
<b>Miami-Dade County Net Revenue Benefit</b>	<b>\$9,806</b>



**THE BEACON COUNCIL ECONOMIC IMPACT MODEL**

Confidential Project #13-00439

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	TOTAL
<b><u>EMPLOYMENT</u></b>							
Total Direct Jobs	20	80	105	105	105	105	
Indirect Employment	8	32	42	42	42	42	
<b><u>TOTAL EMPLOYMENT</u></b>	<b>28</b>	<b>112</b>	<b>147</b>	<b>147</b>	<b>147</b>	<b>147</b>	
<b><u>INCOME (\$1,000)</u></b>							
<b><u>WAGES &amp; SALARY</u></b>							
Total Direct Wages	\$960.0	\$3,955.2	\$5,346.9	\$5,507.3	\$5,672.6	\$5,842.7	\$27,284.8
Total Indirect Wages	\$192.0	\$791.0	\$1,069.4	\$1,101.5	\$1,134.5	\$1,168.5	\$5,457.0
<b>TOTAL WAGES &amp; SALARIES</b>	<b>\$1,152.0</b>	<b>\$4,746.2</b>	<b>\$6,416.3</b>	<b>\$6,608.8</b>	<b>\$6,807.1</b>	<b>\$7,011.3</b>	<b>\$32,741.7</b>
<b><u>TOTAL INCOME</u></b>	<b>\$1,152.0</b>	<b>\$4,746.2</b>	<b>\$6,416.3</b>	<b>\$6,608.8</b>	<b>\$6,807.1</b>	<b>\$7,011.3</b>	<b>\$32,741.7</b>
<b><u>INCREMENTAL PROPERTY TAXES (\$1,000)</u></b>							
Building & Equipment Taxes							
<b>TOTAL PROPERTY TAXES</b>	<b>\$36.6</b>	<b>\$35.0</b>	<b>\$34.0</b>	<b>\$33.2</b>	<b>\$32.7</b>	<b>\$32.5</b>	<b>\$203.9</b>
<b>MIAMI-DADE PROPERTY TAXES</b>	<b>\$9.3</b>	<b>\$8.9</b>	<b>\$8.6</b>	<b>\$8.4</b>	<b>\$8.3</b>	<b>\$8.2</b>	<b>\$51.8</b>
<b><u>SALES TAXES (\$1,000)</u></b>							
Available Income	\$1,152.0	\$4,746.2	\$6,416.3	\$6,608.8	\$6,807.1	\$7,011.3	\$32,741.7
Less Federal Income Tax	\$921.6	\$3,797.0	\$5,133.1	\$5,287.1	\$5,445.7	\$5,609.0	\$26,193.4
Less Hous. Ins. Prop Tax	\$691.2	\$2,847.7	\$3,849.8	\$3,985.3	\$4,084.2	\$4,206.8	\$19,645.0
Less Savings, Life Insur.	\$622.1	\$2,563.0	\$3,464.8	\$3,568.8	\$3,675.8	\$3,786.1	\$17,680.5
Less Food, Drugs, Other Non-Tax	\$466.6	\$1,922.2	\$2,598.6	\$2,676.6	\$2,756.9	\$2,839.6	\$13,260.4
Avail. Income For Sales Tax	\$466.6	\$1,922.2	\$2,598.6	\$2,676.6	\$2,756.9	\$2,839.6	\$13,260.4
State Sales Tax Realized	\$28.0	\$115.3	\$155.9	\$160.6	\$165.4	\$170.4	\$795.6
Local Sales Tax Realized	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
<b>TOTAL SALES TAXES (\$1,000)</b>	<b>\$28.0</b>	<b>\$115.3</b>	<b>\$155.9</b>	<b>\$160.6</b>	<b>\$165.4</b>	<b>\$170.4</b>	<b>\$795.6</b>
<b><u>TOTAL MIAMI-DADE PROPERTY &amp; SALES TAXES (\$1,000)</u></b>							
	<b>\$9.3</b>	<b>\$8.9</b>	<b>\$8.6</b>	<b>\$8.4</b>	<b>\$8.3</b>	<b>\$8.2</b>	<b>\$51.8</b>
<b><u>TOTAL PROPERTY &amp; SALES TAXES (\$1,000)</u></b>							
	<b>\$64.5</b>	<b>\$150.4</b>	<b>\$189.9</b>	<b>\$193.8</b>	<b>\$198.2</b>	<b>\$202.8</b>	<b>\$999.5</b>

# THE BEACON COUNCIL ECONOMIC IMPACT MODEL - ASSUMPTIONS

Confidential Project #13-00439

## Employment Assumptions

### New Direct Permanent Jobs

Year 1	20
Year 2	80
Year 3	105
Year 4	105
Year 5	105
Year 6	105

Incremental Multiplier 0.40

\* For every 100 direct jobs, 40 indirect jobs will be created. Total multiplier effect is 1.40

## Annual Income Assumptions

Yearly Salary, Direct Permanent Job	\$48,000
Indirect Job Salary	\$24,000

Inflation 103%

## Capital Investment

### Total Cap. Inv.

Y1 Value	\$1,969,293
Y2 Value	\$1,891,980
Y3 Value	\$1,835,486
Y4 Value	\$1,795,603
Y5 Value	\$1,768,987
Y6 Value	\$1,752,987

## Property/Real Estate Taxes

Mill Rate, Less Dade's Revenue	0.01381
Miami-Dade's Revenue Mill Rate	0.00470
Miami-Dade's Total Mill Rate	0.01851

Assessment Value of Real Property (81.6%) 0.816

	Realty Prop.	Equip.
Y1	\$1,485,120	\$484,173
Y2	\$1,507,397	\$384,584
Y3	\$1,530,008	\$305,479
Y4	\$1,552,958	\$242,645
Y5	\$1,576,252	\$192,735
Y6	\$1,599,896	\$163,091

## Sales Tax Rates

### Calculation: Income Available For Sales Tax

Income Devoted to:	
Federal Income Tax Liability, 20%	0.80
Housing, Insurance, Real Estate Taxes, 25%	0.75
Savings, Life Insurance, 10%	0.90
Food, Drugs, Other Non-Tax Items, 25 %	0.75

## Sales Tax Rates

Florida Sales Tax	6.00%
Miami-Dade County Sales Tax	0.00%
Total Sales Tax	6.00%

Investment	\$1,820,000	\$747,000
Depreciated		\$609,552

Equipment Depreciation 0.20569

# GENERAL PROJECT OVERVIEW

Confidential Project #13-00439

Name of Business

PROJECT UNIFIED

Project Title or Code Name (1-5 word description)

FOR EFI USE ONLY

Date Received

Date Revised

Date Completed

EFI Project Number

Contact Enterprise Florida to discuss your project and application **before** submitting a formal proposal. The completed and signed application must be filed with:



The Atrium Building, Suite 201 • 325 John Knox Road  
Tallahassee, Florida 32303  
Phone: 850.298.6620 • Fax: 850.298.6659  
<http://www.eflorida.com/>

## 1. BUSINESS INFORMATION

### A. Legal Name of Applicant:

*This should be the entity that will be party to the QTI agreement with the State of Florida. If multiple affiliates are involved in job creation and/or paying taxes, include an attachment listing affiliate name(s), Federal Employer Identification Number(s), Unemployment Compensation Number(s) and relationship to applicant.*

### B. Mailing Address:

Street Address

City

State

Zip Code

### C. Name of Parent Company:

### D. Primary Business Unit Contact:

Title:

Mailing Address:

Street Address

City

State

Zip Code

Telephone:

Fax:

Email:

Website:

### E. Business Unit's Federal Employer Identification Number:

(Please complete either the substitute W-9 Form at the end of this application or attach a completed IRS Form W-9.)

### F. Business Unit's Unemployment Compensation Number<sup>1</sup>:

### G. Business Unit's Florida Sales Tax Registration Number:

### H. Will the business unit or its parent company have Federal Corporate Income Tax liability attributable to this project?

If yes, will there also be State  
Corporate Income Tax Liability  
attributable to this project?

Yes      X      No

Yes      X      No

### I. Is the business unit minority owned?

Yes      No      X      If yes, explain:

### J. What is the business unit's tax year (ex: Jan 1 to Dec 31):

JAN 1 to Dec 31

### K. Has this business unit, or any related entities, applied for and/or been approved for State incentives in the past?

Yes      No      X      If yes, explain:

## 2. PROJECT OVERVIEW

### A. Which of the following best describes this business unit<sup>2</sup>:

☒ New business unit to Florida

☐ Existing Florida business creating and / or retaining jobs<sup>3</sup>.

If an expansion, how many jobs are currently in the expanding business

<sup>1</sup> If multiple unemployment compensation reporting units or multiple worksites are involved, contact Enterprise Florida to discuss this structure or include an attachment listing the additional units and their relationship to the applicant. Business entities not disclosed here may not be party to or count toward the requirements of the contract with the State of Florida.

<sup>2</sup> Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

<sup>3</sup> A QTI Tax Refund award cannot be granted for existing Florida jobs.

unit?

B. How many individuals are employed at all Florida locations? N/A

C. Are any jobs being transferred from other Florida locations<sup>4</sup>?

Yes No X If yes, how many jobs and from where?

Why are these jobs moving and why is it justified in light of the statutory language governing the applicable incentive program(s)?

D. Give a full description of this project, including a company overview, the primary activities / functions of this business unit and project, and the reasons for contemplating an expansion in / relocation to Florida:

CONFIDENTIAL PROJECT #13-00439, A GLOBAL SECURITIES COMPANY, LOOKS TO CREATE FINANCE AND ACCOUNTING SHARED SERVICE CENTER TO SUPPORT ITS LATIN AMERICA OPERATIONS IN OVER 10 COUNTRIES. THE PRIMARY ACTIVITIES OF THE SHARED SERVICE CENTER WILL BE TO SUPPORT THE DAY TO DAY NEEDS OF THE LATIN AMERICA COUNTRIES IN THE AREAS OF ACCOUNTS PAYABLES, ACCOUNTS RECEIVABLES, PAYMENTS, COLLECTIONS, CASH MANAGEMENT, ACCOUNTS RECONCILIATIONS, FIX ASSET ACCOUNTING AND GENERAL LEDGER ACCOUNTING. THE COMPANY WILL BUILD AND TRANSFER TO THE CENTER THE SUPPORT OPERATIONS OF ONE COUNTRY AT A TIME AND AT THE END OF THE TRANSITION PERIODS HOPES TO HAVE ALL REGIONAL OFFICERS FOR LATIN AMERICA ALSO WORKING AT THE CENTER. THUS CULMINATING THE SHARE SERVICE CENTER IN THE CREATION OF A LATIN AMERICA HEADQUARTERS FOR THE COMPANIES OPERATIONS IN LATIN AMERICA.

E. In what Targeted Industry(ies) does the proposed project operate?<sup>5</sup>:

FINANCIAL/PROFESSIONAL SERVICES

F. Break down the project's primary function(s) and the corresponding wages:

Business Unit Activities	5 Digit NAICS Code(s)	Project Function (total = 100%)	Annualized Wage (\$)
SHARE SERVICE CENTER	541940	100.00%	\$48,000
		%	\$
		%	\$

G. What is the project's proposed location address:

Street Address

MEDLEY

FLORIDA

33178

City

State

Zip Code

What is the project's current location address (if different):

Street Address

City

State

Zip Code

H. Is the project location within a current or proposed Brownfield site / area?

Yes No X If yes, attach a copy of the official document designating the Brownfield area.

Is the project location in an Enterprise Zone?

Yes No X If yes, which zone?

Is the project location in a designated Rural area?

<sup>4</sup> Incentives may not be used in connection with a project that involves the relocation of jobs from one Florida community to another except in certain circumstances as described in statute.

<sup>5</sup> Refer to the QTI Target Industry list.

Yes                      No    ☒    If yes, which Rural area? \_\_\_\_\_

**Is the project location in an Urban area<sup>6</sup>?**

Yes                      No    ☒    If yes, describe? \_\_\_\_\_

**I. Which of the following describes the applicant's operations (select all that apply):**

- Multi-state business enterprise  
☒ Multinational business enterprise  
Florida business enterprise (eligible for Brownfield Redevelopment Bonus incentive only)

**J. Which of the following describes this business unit (select all that apply):**

- ☒ Regional headquarters office  
National headquarters office  
International headquarters office  
This is not a dedicated headquarters office

**K. What is the estimated percentage of gross receipts or final sales resulting from this project that will be made outside of Florida** (if sales is not a reasonable measure, use another basis for measure and provide explanation below):

100.00% Explain, if necessary: FINANCE/ACCOUNTING SERVICE TO LATIN AMERICA

### 3. JOB AND WAGE OVERVIEW

**A. How many Florida jobs<sup>7</sup> are expected to be created as part of this project?**

105

**B. If an existing business unit, how many Florida jobs are expected to be retained as part of this project?** (jobs in jeopardy of leaving Florida should only be included here; these jobs are not eligible for QTI)

NONE

**C. What is the anticipated annualized average wage (excluding benefits) of the new to Florida jobs created as part of this project?** (Cash payments to the employees such as performance bonuses and overtime should be included. The wage reported here is only an estimate of the average wage to be paid and will not be used in the certification, agreement, and claim evaluation process.)

\$48,000

**D. What is the annualized average value of benefits associated with each new job created as part of this project?**

\$ 7,200

**E. What benefits are included in this value?** (health insurance, 401(k) contributions, vacation and sick leave, etc.)

HEALTH, DENTAL AND VISION INSURANCE, 401(K) CONTRIBUTIONS, UNEMPLOYMENT, AND OTHERS

### 4. CAPITAL INVESTMENT OVERVIEW

**A. Describe the capital investment in real and personal property** (Examples: construction of new facility; remodeling of facility; upgrading, replacing, or buying new equipment.):  
IMPROVEMENT TO LEASED SPACE, FURNITURE AND OFFICE EQUIPMENT

**B. Will this facility be:**

- ☒ Leased space with renovations or build out  
Land purchase and construction of a new building

<sup>6</sup> An Urban area may include a Community Redevelopment Area (CRA), Urban Job Tax Credit eligible area, Urban Enterprise Zone, Federal Empowerment Zone, an Urban revitalization area, etc.

<sup>7</sup> A "full time equivalent job" means at least 35 hours of paid work per week.

Purchase of existing building(s) with renovations  
 Addition to existing building(s) (already owned)  
 Other (please describe in 4A above)

**C. List the anticipated amount and type of major capital investment to be made by the applicant in connection with this project:**

Calendar Year :	2013	2014	2015	2016	2017	Total
Land or Building Purchase	\$	\$	\$	\$	\$	\$
Construction / Renovations	\$1,820,000	\$	\$	\$	\$	\$1,820,000
Manufacturing Equipment	\$	\$	\$	\$	\$	\$
R&D Equipment	\$	\$	\$	\$	\$	\$
Other Equipment (computer equipment, office furniture, etc.)	\$600,000	\$247,000	\$	\$	\$	\$747,000
Total Capital Investment	\$2,320,000	\$247,000	\$	\$	\$	\$2,567,000

**D. What is the estimated cost of machinery and equipment or other resources for this project expected to be purchased outside of Florida?**

NONE

**E. Describe the type(s) of machinery and / or other resources to be purchased outside of Florida.**

n/a

**F. What is the estimated square footage of the new or expanded facility?**

24,000

**G. When is the final location decision anticipated (date)?**

MARCH 15, 2013

**H. What is the anticipated date construction will begin?**

APRIL 1, 2013

**I. What is the anticipated date operations will commence?**

JULY 15, 2013

**5. COMPETITIVE LANDSCAPE**

**A. What role will the incentive(s) play in the business unit's decision to locate, expand, or remain in Florida?**

THE COMPANY IS CONSIDERING ITS EXISTING FACILITY FOR THIS CURRENT PROJECT. ITS EXISTING FACILITY IS LOCATED IN THE SOUTHWEST REGION OF UNITED STATES. THE COMPANY HAS ESTIMATED A MINOR COST TO EXPAND ITS FACILITY TO ACCOMMODATE THIS PROJECT. THE QUALIFIED TARGET INDUSTRY TAX REFUND WILL AID THE COMPANY TO OFFSET THE ADDITIONAL CAPITAL OUTLAY ASSOCIATED WITH THE BUILD-OUT OF A NEW OFFICE FACILITY IN MIAMI, FLORIDA.

**B. How will the incentive dollars be used by the business?**

THE INCENTIVES DOLLARS WILL BE UTILIZED BY THE BUSINESS TO BUILD OUT THE PROPOSED RENTAL OFFICE SPACE, PURCHASES OF COMPUTER, FURNITURE AND FIXTURES, AND TO DEVELOP THE COMPANY'S NETWORK INFRASTRUCTURE.

**C. What other cities, states, or countries are being considered for this project?**

ITS CURRENT FACILITY LOCATED IN THE SOUTHEAST REGION OF THE UNITED STATES

**D. What advantages or incentives offered by these locations do you consider important in your decision?**

THE JURISDICTION WHERE ITS EXISTING FACILITY IS LOCATED PROVIDES AN OVERALL LOWER COST OF LIVING COMPARE TO FLORIDA. THIS JURISDICTION COST OF LIVING IS APPROXIMATELY 92% OF THE NATIONAL AVERAGE.

ADDITIONALLY, THIS JURISDICTION DOES NOT CURRENTLY IMPOSE SALES TAX ON LEASES OF COMMERCIAL REAL PROPERTY.

FINALLY, THIS JURISDICTION IS ACTIVELY PARTNERS WITH QUALIFIED PROJECTS THAT ARE LOOKING TO EXPAND WITHIN ITS BOUNDARIES. THIS JURISDICTION GOAL IS TO PROVIDE A COMPETITIVE INCENTIVE OFFERS THAT MATCHES NEEDS VIA TAX ABATEMENTS AND ECONOMIC DEVELOPMENT GRANTS. FOR INSTANCE, THE ECONOMIC DEVELOPMENT GRANT WOULD ASSIST THE COMPANY TO DEFRAY THE COST ASSOCIATED WITH THE EXPANSION OF ITS EXISTING FACILITY.

**E. What advantages or disadvantages offered by the proposed Florida location do you consider important in your decision?**

THE STATE OF FLORIDA DOES PROVIDE LOWER TAX RATES COMPARE TO THE ALTERNATIVE JURISDICTION. FOR INSTANCE, THE COMBINED SALES TAX RATE IN MIAMI-DADE COUNTY, FLORIDA IS APPROXIMATELY 1.25% LOWER. ADDITIONALLY, THE PROPERTY TAX RATE IS APPROXIMATELY 0.05% LOWER IN MIAMI-DADE, FLORIDA.

THE STATE OF FLORIDA, HOWEVER, IMPOSES SALES TAX ON LEASES OF COMMERCIAL REAL PROPERTY. THE COMPANY ESTIMATES THAT THE ADDITIONAL TAX BURDEN DUE FROM THE LEASE OF OFFICE SPACE WOULD BE APPROXIMATELY \$50,000 ANNUALLY.

**F. Indicate any additional internal or external competitive issues impacting this project's location decision?**

LOCATION AND ACCESSIBILITY, PREFERABLE BY NON-STOP FLIGHTS TO AND FROM THE NORTHEAST REGION OF THE UNITED STATES AND COMPANY'S LOCATIONS IN LATIN AMERICA, IS A KEY EXTERNAL CONSIDERATION THAT MAY IMPACT THE PROJECT'S LOCATION DECISION.

THE ALTERNATIVE JURISDICTION PROVIDES AIR ACCESS TO 140+ CITIES DOMESTICALLY AND 40+ INTERNATIONALLY. MIAMI, FLORIDA AIR ACCESS IS EQUALLY REBUTS, BUT DIRECT FLIGHTS TO THE NORTHEAST REGION, LACKS THE SAME FREQUENCY COMPARED TO THE ALTERNATIVE JURISDICTION.

## **6. ECONOMIC IMPACT AND CORPORATE RESPONSIBILITY**

**A. Provide a brief synopsis of the special impacts the project is expected to stimulate in the community, the state, and the regional economy. Include the impact on indicators such as unemployment rate, poverty rate, and per capita income.**

THE COMPANY PROPOSES TO PRODUCE 105 HIGH SKILLED JOBS WITH AN AVERAGE WAGE OF APPROXIMATELY \$48,000. THE 105 HIGH-WAGE JOBS WILL HELP SUPPORT STORES, HOUSING, MEDICAL AND OTHER SERVICES AS THESE INDIVIDUALS SPEND THEIR INCOME. THESE JOBS WILL HAVE A POWERFUL RIPPLE EFFECT AND A DRAMATIC IMPACT IN THE LOCAL COMMUNITY AND INDUSTRIES.

FURTHERMORE, 105 HIGH-WAGE JOBS MEANS ADDITIONAL REVENUE TO THE STATE OF FLORIDA IN TAXES AND FEES BEING PAID AT THE STATE AND LOCAL LEVEL. BOTH THE PUBLIC AND PRIVATE SECTORS SHOULD BENEFIT FROM THE CREATION OF THE ANTICIPATED 105 HIGH WAGE JOBS.

**B. Provide a summary of past activities in Florida and in other states. For example, what kind of corporate citizen has the applicant been? Also list awards or commendations.**

NONE

**C. List and explain any criminal or civil fines or penalties, recent or ongoing investigations and lawsuits, federal, state and/or local tax liens, and environmental issues that have been imposed upon the company, its executives, or its affiliates and any recent bankruptcy proceedings of the applicant or its parent company. Failure to disclose relevant information may mean automatic disqualification. If there are no issues to be identified, answer "None". Do not leave this question blank.**

NONE



- D. Provide any additional information you wish to be considered as part of this incentive application or items that may provide supplementary background information on your project or company.

IN THE NEAR FUTURE, THE SHARE SERVICE CENTER SHOULD BECOME THE REGIONAL HEADQUARTERS FOR THE COMPANY'S OPERATIONS IN LATIN AMERICA.

## **7. CONFIDENTIALITY**

- A. You may request that your project information (including information contained in this application) be confidential per F.S. 288.075, Confidentiality of Records for a 12 month period, with an additional 12 month extension available upon request for projects still under consideration.

If you wish to request confidentiality for information contained within the General Project Overview to be held confidential pursuant to section 288.075, Florida Statutes, please submit to Enterprise Florida, Inc. a request on company letterhead and signed by an authorized company officer including the following statement:

*"On behalf of (Legal Name of Applicant), please accept this letter as a request for all documents, records, reports, correspondence, conversations, applications, data and other sources of information concerning our business plans, interests, or intention to evaluate or locate in Florida as well as other trade secrets, identification, account, and registration numbers, and proprietary confidential business information be held confidential pursuant to section 288.075, Florida Statutes for a period of 12 months after the date of receipt of this request for confidentiality or until the information is otherwise disclosed, whichever occurs first."*

\*\*\* Be sure to attach the proper incentive attachment sheet(s) \*\*\*

## 8. SIGNATURES

Application Completed By:

To the best of my knowledge, the information included in this application is accurate.

Signature

Signature (Authorized Company Officer)  
REQUIRED

Date

Date

Name

Name

Title

Title

Company

Company

Address, if different than mailing address

Address, if different than mailing address

Phone Number

Phone Number

Fax Number

Fax Number

Email Address

Email Address

Name of contact person, if different than above

Phone Number

Address

Email Address

# Qualified Target Industry Tax Refund Attachment to the General Project Overview

To add text outside of the gray fields or click the statutory reference link, de-select the "Protect Form" (lock) button on the Forms toolbar.

**CONFIDENTIAL PROJECT #13-00439**

**Name of Business**

Must be a separate business unit or reporting unit of a business unit that is or will be registered with the State of Florida for unemployment compensation purposes.

**IMPORTANT NOTE:** This application must be filed and the incentive approved *prior* to making the decision to expand an existing Florida business unit or to locate a new business unit in Florida.

\*\* Be sure to submit the General Project Overview and Local Support Resolution<sup>1</sup> following passage by the City / County\*\*

## 1. PROJECT EMPLOYMENT AND WAGE COMMITMENTS

A. What is the total number of net new full-time equivalent Florida jobs created by the project at the business unit<sup>2</sup>?

105

B. Provide the job creation schedule to which you commit: (Please limit the phases to a maximum of three consecutive years and job creation to no less than ten jobs in the first year).

Phase	Number of net new full-time equivalent Florida jobs created in the business unit	Date by which jobs will be created
I	20	12/31/2013
II	60	12/31/2014
III	25	12/31/2015
Total	105	

C. For the purposes of certification, agreement, and claim review, indicate the average wage and corresponding threshold (percentage) to which you commit:

Check the relevant box (only one) and fill in the first field (wage commitment) and second field (county, state, or MSA used).

☒ \$48,000, which is at least 115% of the average wage in FLORIDA.

☐ \$\_\_\_\_, which is at least 150% of the average wage in \_\_\_\_.

☐ \$\_\_\_\_, which is at least 200% of the average wage in \_\_\_\_.

## 2. LOCAL FINANCIAL SUPPORT

A. Identify the local government(s) anticipated to provide local financial support<sup>3</sup>:

MIAMI-DADE COUNTY

B. Indicate the date(s) the QTI support resolution(s) is / are anticipated to be passed by the local government:

MARCH 14, 2013

<sup>1</sup> Submit the resolution adopted by the local governing body recommending the applicant be approved as a QTI Business unit and indicating the amount of local financial support that has been committed. Resolution should clearly indicate waivers requested and justification for such waivers.

<sup>2</sup> Must be a minimum of 10 new jobs and a 10 percent increase in current business unit employment (if an existing Florida business).

<sup>3</sup> The total QTI award may not exceed five times the local financial support provided by the community. If the community has requested a local financial support waiver or the support is provided in the form of ad valorem tax abatement, the QTI award will be reduced by this amount.

## Qualified Target Industry Tax Refund Attachment to the General Project Overview

To add text outside of the gray fields or click the statutory reference link, de-select the "Protect Form" (lock) button on the Forms toolbar.

### 3. SIGNATURES

Signature of Individual Completing this Attachment  
(If different from General Project Overview)

Date

Address (If different)

Phone Number (if different)

Signature (Authorized Company Officer) REQUIRED

Date

Name and Title of Authorized Officer

### 4. KEY QTI PROGRAM INFORMATION

- The tax refund claim form will be due by January 31<sup>st</sup> each year for the number of jobs on December 31<sup>st</sup> of the previous calendar year. Tax refunds paid per state fiscal year (July 1 – June 30) may not exceed 25 percent of the total tax refund award associated with the phase(s) scheduled.
- The total award will be equal to \$3,000 (\$6,000 in Enterprise Zones or Rural Counties) times the number of jobs reported in Item 1A, plus \$1,000 per job if the average annual wage is at least 150% of the area's average; or \$2,000 per job if the average annual wage is at least 200%. However, the QTI award may not exceed five times the local financial support paid by the community.
- If in any year the applicant does not achieve the job creation schedule outlined in item 1C, but achieves at least 80% of the required net new jobs, the company will receive a pro-rated refund less a 5% penalty of the scheduled award amount for that year. If job creation falls below 80% of the required jobs, the company will not receive a refund and will be terminated from the program.
- For an expanding Florida business unit:
  - Existing number of full-time equivalent jobs must be maintained for the duration of the QTI agreement.
  - The average wage commitment should include wages paid across the expanding business or reporting unit for all new and existing jobs, as shown on the unit's UCT-6 form. If the project involves activities not representative of the expanding business or reporting unit and are anticipated to be substantially different from the historical range and distribution of jobs and wages paid (higher or lower) in the existing unit, that issue should be disclosed and discussed with Enterprise Florida at the time of application to determine if separate record keeping must be established.
- A qualified target industry business that fraudulently claims a refund under 288.106(2), *Florida Statutes*:
  - is liable for repayment of the refund to the account, plus a mandatory penalty in the amount of 200 percent of the tax refund which shall be deposited into the General Revenue Fund.
  - is guilty of a felony of the third degree, punishable as provided in s. 775.082, s. 775.083, or s. 775.084.
- Qualified Target Industry Tax Refund: Section 288.106, Florida Statutes.